



## TALKING POINTS: Child Care and Taxes, 2025

### THE ASK TO STAFFERS

Please encourage your boss to support including child care tax provisions from the **Child Care Availability and Affordability Act (Sens. Katie Britt & Tim Kaine)** in this year's tax package. Expanding tax credits like the **Child and Dependent Care Tax Credit (CDCTC)** would give working families urgently needed relief, helping them keep more of what they earn to afford child care.

### TOP POINTS TO MAKE

Families need child care. Families need these tax credits.

- **Urgency:** Two thirds of all children ages five and younger need some form of child care because all of the adults in their home are working.
- **Urgency:** Families with young children need support NOW. They can't push pause on their child care needs and hope to deal with it a few years down the road - kids don't work like that!
- **Opportunity:** With major provisions of the Tax Cuts and Jobs Act of 2017 expiring in 2025, Congress has a prime opportunity to protect this important tax credit while enhancing it to better support working families.
- **Impact:** This is a win/win/win. Making child care more affordable and accessible for families with little ones not only provides young children with vital opportunities to learn and grow, it also strengthens family finances, supports a thriving workforce, and boosts the economy.
- **It's a "Yes, And" Strategy:** In addition to tax credits that help offset the cost for families, we also need increased federal discretionary and mandatory funding to help build the supply of child care.

### POLICY GLANCE

- The **Child and Dependent Care Tax Credit (CDCTC)** is the only tax credit that specifically helps working parents offset the cost of child care but it hasn't been updated since 2001 - more than 20 years! - so it has not kept up with the cost of child care.
- Also out of date: the Dependent Care Assistance Plan (DCAP), flexible spending accounts that allow working parents to set aside pre-tax dollars to pay for child care expenses; and the Employer-Provided Child Care Credit (known as 45F), which supports businesses who want to help locate or provide child care for their workforce.
- The bipartisan Child Care Availability and Affordability Act, introduced by Sens. Katie Britt & Tim Kaine, would expand the CDCTC, allowing parents to keep more of their hard-earned taxpayer dollars to help pay for child care. It also improves DCAP and 45F to help working families find and afford the care they need.

### CTC + CDCTC: FAMILIES NEED BOTH

- The Child & Dependent Care Tax Credit and the Child Tax Credit are different. **Families need both.**
- The Child Tax Credit (CTC) can be used by families to offset any costs associated with raising a child, like food, rent, clothes, medicine, diapers, etc. It plays an essential role in helping to lift families out of poverty.
- The Child and Dependent Care Tax Credit (CDCTC) specifically helps working parents offset the cost of child care and puts parents in the driver's seat to help ensure families can choose the type of care that works best for them.

## SUPPORT

- **Support:** 79% of Republicans say they want President Trump and Republicans in Congress to do more to help working parents afford quality child care.
- **Support:** The [Child and Dependent Care Tax Credit \(CDCTC\)](#) is the most popular child care-related tax credit, with 86% saying they support increasing the CDCTC, including 83% of Republicans, 83% of Independents, and 91% of Democrats.

## BY THE NUMBERS

- **22.9 million:** Number of children ages 0-5 in the United States.
- **65%:** Percent of these children who live in a home where all the adults are working.
- **\$11,600:** Average annual cost of child care today - more than triple what it was in 2001.

## CUSTOMIZED NOTES